



Changfeng Announces RMB50 Million (\$7.9Million) Long Term Loan

January 15, 2013

Toronto, Ontario, January, 15, 2013 – Changfeng Energy Inc. ("Changfeng" or the "Company") (TSX-V: CFY), a natural gas utility in China, announced today that the Company has entered an agreement with the Bank of China (Sanya Branch) ("BOC") to secure a bank loan facility in the amount of RMB50 million (approximately \$7.9 million) (the "Term Loan"). As a result, the BOC has increased the Company's total loan facility to RMB180 million. The bank loan facility provides that the proceeds of the Term Loan will be used to fund continued construction of pipeline and associated facilities of the Haitang Bay project in the Sanya city, Hainan province, China.

The Term Loan is secured by the same collateral as that of the existing RMB130 million loan facilities with BOC as announced on April 4, 2011. It has a ten-year term from the date of the first initial withdrawal, and bears interest of 110% of the prime rate set by the People's Bank of China (the central bank of China).

As of the date of this press release, RMB40 million (approximately \$6.3 million) was drawn on the Term Loan, and the remaining balance of RMB10 million (approximately \$1.6 million) is expected to be drawn within the next 12 month period.

"We are very delighted to secure the Term Loan from the Bank of China," stated Mr. Huajun Lin, Chairman and Chief Executive Officer of the Company. "This Term loan, together with our previously announced RMB20 million (\$3.2 million) bank loan for funding the Xiangdong Project, demonstrates the confidence that our local banker continues to place on our growth strategy and our existing business operation."

About Changfeng Energy Inc.

Changfeng Energy Inc., is a local natural gas distribution company ("LDC" or natural gas utility) with operations located throughout the southern part of People's Republic of China. The Company serves industrial, commercial and residential customers, providing them with natural gas for heating purposes and fuel for transportation. The Company has developed a significant natural gas pipeline network as well as urban gas delivery networks, stations, substations and gas pressure regulating stations in Sanya City & Haitang Bay. Through its network of pipelines, the Company provides safe and reliable delivery of natural gas to both homes and businesses. The Company is headquartered in Toronto, Ontario and its shares trade on the Toronto Venture Exchange under the trading symbol "CFY". For more information, please visit the Company website at www.changfengenergy.com

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Forward-Looking Statements

Information set forth in this news release may involve forward-looking statements under applicable securities laws. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and accordingly undue reliance should not be put on such.

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